

Service Date: March 20, 1989

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER OF THE APPLICATION)	
OF GREAT FALLS GAS COMPANY FOR)	UTILITY DIVISION
AUTHORITY TO ISSUE 50,000 SHARES)	
OF COMMON STOCK IN CONNECTION WITH)	DOCKET NO. 89.3.3
AN OFFER TO ITS SHAREHOLDERS OF A)	ORDER NO. 5401
DIVIDEND REINVESTMENT PLAN)	
_____)	

DEFAULT ORDER

FINDINGS OF FACT

1. On March 10, 1989, Great Falls Gas Company (Company) filed an application seeking authority to issue 50,000 shares of Common Stock in connection with an offer it intends to make to its shareholders regarding a dividend reinvestment plan.

2. That application incorporated by reference the S-8 registration statement filed with the Securities and Exchange Commission regarding the same issue. That registration statement includes the proposed plan.

3. The application also indicated that the Company does have need for the additional capital to finance its ongoing construction plan as well as to meet the desires of its shareholders to have such a plan available to them.

4. Section 69-3-504, MCA, states that the Commission shall approve applications such as this unless the Commission finds:

(1) such transactions are inconsistent with the public interest;

(2) the purpose or purposes thereof are not permitted by this part; or

(3) the aggregate amount of the securities outstanding and proposed to be outstanding would exceed the fair value of the properties and business of the public utility.

5. The aggregate amount of securities outstanding and proposed to be outstanding do not exceed the fair value of the properties and business of Great Falls Gas Company.

After considerations of the application including the above stated facts, the Commission makes the following:

CONCLUSIONS OF LAW

1. Great Falls Gas Company is a public utility furnishing gas service to customers in the Great Falls, Montana, area as well as the franchised area of its division Cody Gas Company and is subject to the supervision, regulation, and control of this Commission pursuant to Section 69-3-102, MCA.

2. Section 69-3-501, MCA et seq. provides for the regulation of issuance of securities and creation of liens by gas and electric utilities including the following requirements: (a) the transaction

be in the public interest; (b) the purposes of the securities be consistent with those sections of MCA; and, (c) the aggregate amount of the securities outstanding and proposed to be outstanding would not exceed the fair value of the properties and business of the public utility.

3. The proposed issuance of securities is consistent with the requirements of law stated in the immediately preceding conclusion of law.

ORDER

IT IS THEREFORE ORDERED by the Commission that the application of Great Falls Gas Company, filed on March 10, 1989, for authority to issue 50,000 shares of common stock in connection with the offer of a dividend reinvestment plan, is approved.

This approval should not be interpreted as any indication of the ratemaking treatment to be accorded the Company in future rate proceedings. Nor does this approval in and of itself obligate the State of Montana to pay or guarantee in any manner whatsoever any security of the Company.

This Order shall be effective upon execution.

DONE IN OPEN SESSION at Helena, Montana, this 20th day of March, 1989, by a vote of 5-0.

DOCKET NO. 89.3.3

DEFAULT ORDER NO. 5401

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

CLYDE JARVIS, Chairman

HOWARD L. ELLIS, Vice Chairman

JOHN B. DRISCOLL, Commissioner

WALLACE W. "WALLY" MERCER, Commissioner

DANNY OBERG, Commissioner

ATTEST:

Ann Peck
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See ARM 38.2.4806.